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December 13, 2012

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Room TW-A325
Washington, DC 20554

Re: Petition of Border to Border Communications for Waiver of Part 54.302 and the
Framework to Limit Reimbursable Capital and Operating Costs; Connect America Fund,
WC Docket No. 10-90 , Ex Parte Notice

Dear Ms. Dortch:

This letter provides additional information requested by the Wireline Competition Bureau staff during our meeting of November 19, 2012.

1. Service Area

As can be seen on the Service Area Map, Attachment A, Border's service area comprises most of Zapata County, but does not include any of the limited population clusters which are in AT&T's service area. The area of Zapata County served by AT&T is relatively flat, being situated along the Rio Grande River. The majority of Border's customers are situated east of US Hwy 83 with most being located miles from one of the four all-weather paved roads traversing the rural area of the county. The area served by Border is laced with high rolling land ridges, hence Zapata's nick-name "The Hill Country of the Valley." In addition to distance from cell sites, this terrain contributes to the marginal quality of cellular and other mobile service in Border's service area, as described in the Petition. Even the Sheriff's department has experienced problems maintaining communications between its dispatcher and deputies in many portions of Border's service area, using their law enforcement radio system.

Border's customers are remotely located and must traverse gravel and dirt roads, some in seasonal creek-beds, to reach their homes. Many of these roads cross the property of other ranch owners, requiring ranch owners and their family members to exit their vehicles to open numerous locked gates in the process of driving to and from their property. Traveling these

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roads at night creates dangerous situations given the illegal alien and illegal drug activity in the area.

Of particular interest is the fact that 911 addressing identification is non-existent on ranch entrance gates. Access to several ranches may exist at any given gate. Ranch owners are reluctant to have this addressing shown because of the remoteness of the ranches and the high risk of theft. The lack of visible 911 addressing creates problems for 911 emergency responders. Given this situation, sustainable and reliable communications between those seeking assistance and the 911 dispatch is a must.

2. Compensation The staff requested information on the 10 highest paid employees of Border, including non-cash items, benefits, etc.

Border does not have employees. Rather, employees of its affiliate, TRC Engineering Services, Inc. ("TRC") perform management, accounting, maintenance, installation of customer services functions, etc. TRC employees generally perform work for multiple clients,. It is more cost effective for employees to charge their hours to Border, when worked, rather than have dedicated Border employees. For all the hours recorded during the years ended December, 31, 2009, 2010 and 2011, only [redacted] respectively, of TRC's employees' total hours were billed to Border.^a

Attachment B provides the labor billings, broken down by employee, from TRC to Border to Border for the most recent three years (2009 - 2011). The per-hour rate includes [redacted].

The hourly rates applicable to all TRC clients include all of these components. TRC Engineering Employees contribute [redacted]. All expenses related to mileage, lodging, and meals incurred while working on a Border project are billed separately at actual cost. Also, as indicated in the attachment, the ten TRC employees performing the various labor functions vary, as does the billing for those employees for the three years provided.

3. Payments to Affiliates

In addition to the labor charges billed by TRC to Border, there are numerous agreements for other transactions between TRC and Border. Copies of those Agreements are provided as Attachment C. The agreements are as follows.

^a Border complies with the FCC's 25 percent threshold requirement contained in Part 32.27(d) of the FCC's Transactions with Affiliates criteria.

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- a. January 23, 2004 Engineering Service Agreement with TRC Engineering Services
- b. January 1, 2006 Loan agreement with TRC to cover labor and subsistence charges incurred in relation to interim work performed on Border's RUS Pre-loan and Post loan activities.
- c. October 30, 2006 Billing and Collection Agreement with Frontera Telecommunications, Inc.
- d. January 15, 2008 Revised TRC Engineering Services Rate Schedule
- e. July 1, 2009 Revised rates for TRC employees
- f. September 9, 2009 Master Service Agreement with TRC *telecom*, Inc.
- g. April 19, 2011 Commercial Lease Agreement with TRC Services for the Zapata Commercial Office Building.
- h. December 29, 2011 Sublease Agreement with TRC Engineering Services, Inc. for the Border Home Office Facilities.

4. Distribution to Shareholders

The distributions to the shareholders for 2009, 2010, and 2011 represent distributions of a portion of accumulated earnings from [redacted], and related taxes that had been paid in the past and potential deferred taxes. As of 12/31/08, the retained earnings of the company were approximately \$[redacted]. At that time [redacted].

Please address any questions regarding this information to me.

Sincerely yours,

David Cosson

Counsel to Border to Border Communications, Inc.

Attachments A, B. & C.

cc: Rebekah Goodheart
Joseph Cavender
Gary Seigel
Joseph Sorresso
Christopher Cook